was not mutually agreeable to both the parties, a fresh audit has been mutually authorized.

Import of fertilizers

1620. SHRI T.T.V. DHINAKARAN: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether it is a fact that huge quantity of different varieties of fertilizers is being imported every year;

(b) if so, the details of import duty during the last three years; and

(c) the steps taken to increase the domestic production?

THE MINISTER OF CHEMICALS AND FERTILIZERS (SHRI RAM VILAS PASWAN): (a) There are three main varieties of finished fertilizers, namely Urea, DAP and MOP, which meets the agronomic requirements of the farmers. Out of these fertilizers, Urea is under price and partial movement control of the Government of India, and a small quantum of this fertilizer is imported on Government account, through the State Trading Enterprises, like, MMTC, STC and IPL, to bridge the gap between indigenous production and domestic requirements. DAP & MOP are decontrolled fertilizers and these are imported freely by various companies based on their assessment of demand. MOP is a mineral fertilizer and its demand is met through imports, as there is no commercially viable indigenous source known in the country. Therefore, the import of MOP is in huge quantity. The table below shows the quantity of fertilizers imported in the last three years:—

Year	Urea (Qty. in Lakh Mts.)	DAP (Qty. in Lakh Mts.)	MOP (Qty. in Lakh Mts.)
2001-02	2.20	9.33	28.34
2002-03	—	3.70	25.32
2003-04	—	7.34	25.79

(b) Import duty on finished fertilizer was 5% of the landed price of the material during the last three years.

(c) A pricing policy has been unveiled recently on 29.1.2004 for setting up new urea projects and expansion of existing urea projects for augmenting

the domestic production capacity of urea to meet the growing demand for enhancing the agriculture production in the country. The new policy will enable the enterpreneurs to decide about their investment plans in the fertilizer sector. The new policy will encourage setting up of plants with international efficiency standards for fresh investments in new projects and expansion of existing units. The new and expansion urea units will be based on natural gas/LNG as feedstock which is the most cost effective and the least polluting feedstock in fertilizer sector today.

Policy for debottlenecking/revamp/modernisation of existing urea units for expansion of their capacity has also been announced in January, 2004. Debottlenecking/revamp/modernisation will be allowed only if the additional production comes from using the natural gas/LNG as feedstock. Under the policy, the measures proposed by the applicant fertilizer units under the debottlenecking/revamp/modernisation of the plant should at least result in 10% increase in the existing urea production capacity.

DAP is a decontrolled fertilizer, and is left to the private manufacturers for their commercial decision in regard to its indigenous production or import. MOP is a mineral fertilizer and its demand is met through imports, as there is no commercially viable indigenous source known in the country.

Supply of DAP fertilizers in Punjab and J & K

1621. SHRI VARINDER SINGH BAJWA:
SHRI T.S. BAJWA:

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether it is a fact that supply of D.A.P. fertilizer is not sufficient in Punjab and Jammu and Kashmir; and

(b) if so, the reasons therefor and the steps Government have taken, so far, to meet the demands of the farmers?

THE MINISTER OF CHEMICALS AND FERTILIZERS (SHRI RAM VILAS PASWAN): (a) The availability of DAP in Punjab and Jammu and Kashmir up to 30.11.2004 was more than the requirement assessed and